time at various fora such as in conferences, seminars, discussions during meetings, etc. These suggestions are duly considered and appropriate actions are taken.

Farmer-friendly Credit Policy

*407. SHRI B. J. PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to bring in a farmer-friendly credit policy during the current fiscal;

(b) if so, the details of the proposed scheme;

(c) whether Government would grant interest-free loans to certain categories of poor farmers;

(d) if so, the details thereof; and

(e) what is the action plan of Government to control suicides by debt-ridden farmers in the country?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) An announcement has already been made by the Government on 18.6.2004 for increasing the ground level credit flow to agriculture and allied activities by 30% during 2004-05 and doubling the flow in three years. This Farmer-Friendly Agriculture Credit Package also envisages debt restructuring/rescheduling and fresh loans to farmers affected by natural calamities, One Time Settlement (OTS) for small and marginal farmers, fresh finance for farmers whose earlier debts have been settled through compromise or write off and relief measures for farmers indebted to non-institutional lenders.

Pursuant to the above announcement, Reserve Bank of India has already advised all scheduled commercial banks on 24.6.2004 to take action to implement the programme. National Bank for Agriculture and Rural Development (NABARD) has also issued similar guidelines to Regional Rural Banks and cooperatives.

(c) and (d) The announcement does not envisage providing interest free loans to farmers.

(e) In order to provide relief to farmers facing actue distress due to their heavy indebtedness to non-institutional lenders i.e. money lenders, banks have been advised to give loans to such farmers against appropriate collateral or groups security.